Skyworld Holdings Sdn Bhd & Ors v Skyworld Development Sdn Bhd & Anor

FEDERAL COURT (PUTRAJAYA) — CIVIL APPEAL NO 02(f)-50–09 OF 2020(W)
NALLINI PATHMANATHAN, ZALEHA YUSOF AND RHODZARIAH BUJANG FCJJ
8 APRIL 2022

Trade Marks — Infringement of registered trademark and passing off — Likelihood of confusion and deception — Plaintiffs who were registered owners of 'SkyWorld' registered trademarks contended that defendants' use of word 'Skyworld' in their corporate names and website domain name had infringed their registered trademarks and committed the tort of passing off — Trial court found that while aurally there was no difference, visually defendants' use of the word 'Skyworld' did not resemble plaintiff's registered trademarks at all and thus did not give rise to confusion/deception — Whether trial court was right to dismiss plaintiff's suit — Whether Court of Appeal's judgment revealed no good reason for holding that trial judge's decision was wrong — Whether Court of Appeal was wrong to substitute its own conclusions (not supported by any reasons or adequate reasons) in place of trial judge's comprehensive finding of facts — Trade Marks Act 1976, s 38(1)

The respondents were the registered owners of two 'SkyWorld' registered trademarks in Class 37. One mark had the word 'SkyWorld' with a wavy underline below 'Sky' and the phrase 'design the experience' below the entire 'SkyWorld'; and the other mark was identical to the first one but had in addition four Chinese characters below the phrase 'design the experience'. The respondents, who were in the business of real estate development, said the word 'SkyWorld' formed part of the names of their companies. The respondents sued the appellants, who were largely involved in the business of tourism, for trademark infringement and passing off, saying that the appellants' use of the word 'Skyworld' as their corporate name and in their website domain name and in the name of a development project they had proposed to carry out in Sabah were infringing as they so closely resembled the respondents' registered trademarks as to be likely to confuse or deceive the public. Following a trial, the High Court found that: (a) the respondents' registered trademarks were not registered as 'word marks' which might otherwise have conferred monopoly on them on the word 'Skyworld'; and (b) although aurally the word 'Skyworld' used by both parties sounded the same, visually they were so different from each other that there was no likelihood of the public being confused or deceived, more so because the appellants and respondents were involved in different trades/businesses. The trial court held that since there was no

likelihood of confusion/deception, there was therefore no ground for misrepresentation and hence, the respondents had also not made out the tort of passing off against the appellants. The High Court dismissed the respondents' action but the Court of Appeal ('COA') reversed the decision and allowed the respondents' claims. The instant appeal was against the COA's decision.

Held, unanimously allowing the appeal and reinstating the High Court's decision:

(1) The COA was wrong to reverse the findings and decision of the High Court and conclude that there was infringement. The High Court correctly decided that there was no trademark infringement as the competing marks — which differed visually to a great extent — were not identical or so nearly resembling each other that they were likely to deceive or cause confusion in the course of trade in relation to those marks. As the elements of confusion or deception were not established, it followed that the tort of passing off was also not made out (see paras 45–46).

(2) The High Court took the view that the marks had to be compared as a whole, both aurally and visually. The judge examined the respondents' marks and found on them 'stylish verbal marks visually comprising of the word 'SkyWorld' (specifically with the letters 's' and 'w' spelt in the uppercase) with a stroke underneath the word 'sky' together with the phrase 'design the experience'. The other mark had the same characteristic, but with an additional four Chinese characters below the phrase 'design the experience'. Even though the judge found that the appellants' corporate name and domain name arising from the word 'Skyworld' was aurally similar to the plaintiffs' registered trademarks, visually they were different because the appellants' corporate names in their business documents as well as their website domain name used the word 'Skyworld' either wholly in the uppercase or in the lowercase and not in mixed uppercase and lowercase as in the respondents' registered trademarks (see para 38).

(3) Whether there was similarity in the marks aurally and visually was a finding of fact of the trial judge that an appellate court would rarely interfere with unless it was shown that the judge was plainly wrong or his finding was unjust because of a serious procedural or other irregularity in the proceedings (see para 39).

(4) Although the respondents had failed to discharge their burden of showing that the competing marks visually resembled each other, the COA concluded that the marks were both aurally and visually similar. Unlike the trial judge who had vividly explained his reasons for finding no similarity or resemblance between the appellants' corporate name and domain name and the respondents' registered trademarks, the COA

erroneously reversed the trial judge's findings and decision and substituted them with its own conclusions. This was not a harmless error as the findings of the COA were not supported by any reasons or adequate reasons. The trial judge rightly concluded that apart from an aural resemblance between the registered trademarks and the appellants' corporate and domain names, there was no real resemblance between the two. Section 38(1) of the Trade Marks Act 1976 required that a mark must be identical with or so nearly resembled the registered mark in order to satisfy the element of infringement (see paras 40–41).

(5) The trial judge was not plainly wrong for refusing to consider the respondents' evidence of two emails to show that the public had been confused. Even if those emails were taken into evidence, they did not comprise adequate evidence of confusion, far less of deception, because they were merely queries by unidentified persons. The need for the presence of the makers of those emails (they were not called as witnesses at the trial) was because it was difficult for the court to verify the authenticity of the writers or their complaints or queries. As they were merely queries, could it be said that it amounted to confusion? The test required the average discerning consumer to be confused and not a 'moron in a hurry.' This was particularly so where the entities concerned dealt with the purchasing of land and not the buying of goods from a grocery store. Therefore, the element of confusion was not easily established and was not at all present in the instant case (see paras 42–43).

[Bahasa Malaysia summary

Responden adalah pemilik berdaftar dua cap dagangan berdaftar 'SkyWorld' dalam Kelas 37. Satu cap mempunyai perkataan 'SkyWorld' dengan garis bawah beralun di bawah 'Sky' dan frasa 'design the experience' di bawah keseluruhan 'SkyWorld'; dan cap yang satu lagi adalah sama dengan yang pertama tetapi mempunyai tambahan empat aksara Cina di bawah frasa 'design the experience'. Responden, yang menjalankan perniagaan pemaju hartanah, menyatakan bahawa perkataan 'SkyWorld' membentuk sebahagian daripada nama syarikat mereka. Responden menyaman perayu, yang sebahagian besarnya terlibat dalam perniagaan pelancongan, atas pelanggaran tanda dagangan dan kelirupaan, mengatakan bahawa perayu menggunakan perkataan 'Skyworld' sebagai nama korporat mereka dan dalam nama domain laman web mereka dan atas nama projek pembangunan yang mereka cadangkan untuk dijalankan di Sabah adalah satu pelanggaran kerana ia sangat menyerupai tanda dagangan berdaftar responden yang berkemungkinan mengelirukan atau memperdaya orang ramai. Selepas perbicaraan, Mahkamah Tinggi mendapati bahawa: (a) cap dagangan berdaftar responden tidak didaftarkan sebagai 'cap perkataan' yang mungkin telah memberikan monopoli kepada mereka ke atas perkataan 'Skyworld'; dan (b) walaupun secara pendengaran perkataan 'Skyworld' digunakan oleh kedua-dua pihak

berbunyi sama, secara visual mereka sangat berbeza antara satu sama lain sehinggakan tidak ada kemungkinan orang ramai terkeliru atau tertipu, lebih-lebih lagi kerana perayu dan responden terlibat dalam perdagangan/perniagaan yang berbeza. Mahkamah perbicaraan memutuskan bahawa oleh kerana tiada kemungkinan berlaku kekeliruan/penipuan, oleh itu tiada alasan untuk salah nyata dan oleh itu, responden juga tidak membuktikan tort kelirupaan terhadap perayu. Mahkamah Tinggi menolak tindakan responden tetapi Mahkamah Rayuan ('MR') membatalkan keputusan tersebut dan membenarkan tuntutan responden. Rayuan semasa adalah terhadap keputusan MR.

Diputuskan, sebulat suara membenarkan rayuan dan mengembalikan semula keputusan Mahkamah Tinggi:

(1) MR telah terkhilaf dalam mengakas dapatan dan keputusan Mahkamah Tinggi dan membuat kesimpulan bahawa terdapat pelanggaran. Mahkamah Tinggi dengan betul memutuskan bahawa tidak ada pelanggaran cap dagangan kerana cap persaingan — yang tampak sangat berbeza secara visual — tidak sama atau hampir menyerupai antara satu sama lain yang mungkin akan menipu atau menyebabkan kekeliruan dalam perjalanan perdagangan berhubung dengan cap tersebut. Memandangkan unsur-unsur kekeliruan atau penipuan tidak dibuktikan, seterusnya tort kelirupaan juga tidak dapat dibuktikan (lihat perenggan 45–46).

(2) Mahkamah Tinggi berpandangan bahawa cap tersebut perlu dibandingkan secara keseluruhan, secara pendengaran dan penglihatan. Hakim memeriksa cap responden dan mendapati padanya 'tanda verbal bergaya secara visual terdiri daripada perkataan 'SkyWorld' (khususnya dengan huruf 's' dan 'w' yang dieja dalam huruf besar) dengan goresan di bawah perkataan 'langit' bersama-sama dengan frasa 'design the experience.' Tanda lain mempunyai ciri yang sama, tetapi dengan tambahan empat aksara Cina di bawah frasa 'design the experience.' Walaupun hakim mendapati bahawa nama korporat perayu dan nama domain yang timbul daripada perkataan 'Skyworld' secara bunyinya serupa dengan cap dagangan berdaftar plaintif, secara visual mereka berbeza kerana nama korporat perayu dalam dokumen perniagaan mereka serta laman web mereka. Nama domain menggunakan perkataan 'Skyworld' sama ada sepenuhnya dalam huruf besar atau dalam huruf kecil dan bukan dalam campuran huruf besar dan kecil seperti dalam cap dagangan berdaftar responden (lihat perenggan 38).

(3) Sama ada terdapat persamaan dalam cap secara pendengaran dan visual adalah dapatan fakta hakim perbicaraan yang jarang diganggu oleh Mahkamah Rayuan melainkan jika ditunjukkan bahawa hakim tersebut jelas terkhilaf atau keputusannya tidak adil kerana prosedur yang serius

atau ketidakaturan lain dalam prosiding (lihat perenggan 39).

(4) Walaupun responden gagal melepaskan beban mereka untuk menunjukkan bahawa cap persaingan secara visual menyerupai satu sama lain, MR membuat kesimpulan bahawa cap tersebut adalah sama dari segi pendengaran dan penglihatan. Tidak seperti hakim perbicaraan yang telah menjelaskan dengan jelas alasannya kerana tidak mendapati terdapat persamaan atau keserupaan antara nama korporat dan nama domain perayu dan cap dagangan berdaftar responden, MR terkhilaf mengakas dapatan dan keputusan hakim bicara dan menggantikannya dengan kesimpulannya sendiri. Ini bukanlah kekhilafan yang tidak memudaratkan kerana dapatan MR tidak disokong oleh sebarang sebab atau alasan yang mencukupi. Hakim bicara dengan tepat membuat kesimpulan bahawa selain daripada persamaan bunyi antara tanda dagangan berdaftar dan nama korporat dan domain perayu, tidak ada persamaan sebenar antara kedua-duanya. Seksyen 38(1) Akta Cap Dagangan 1976 menghendaki sesuatu cap mestilah sama dengan atau hampir menyerupai cap berdaftar untuk memenuhi unsur pelanggaran (lihat perenggan 40–41).

(5) Hakim bicara tidak terkhilaf kerana enggan mempertimbangkan keterangan responden mengenai dua emel untuk menunjukkan bahawa orang ramai telah keliru. Sekiranya jika emel tersebut diambil sebagai keterangan, ia tidak mengandungi bukti kekeliruan yang mencukupi, jauh lebih kecil daripada penipuan, kerana ia hanyalah pertanyaan oleh orang yang tidak dikenali. Keperluan untuk kehadiran pembuat emel tersebut (mereka tidak dipanggil sebagai saksi dalam perbicaraan) adalah kerana sukar bagi mahkamah untuk mengesahkan kesahihan penulis atau aduan atau pertanyaan mereka. Memandangkan ia hanyalah pertanyaan, bolehkah dikatakan ia menimbulkan kekeliruan? Ujian memerlukan rata-rata pengguna yang arif untuk keliru dan bukan 'orang bodoh yang tergesa-gesa.' Ini terutamanya apabila entiti berkenaan berurusan dengan pembelian tanah dan bukan pembelian barangan dari kedai runcit. Oleh itu, unsur kekeliruan tidak mudah diwujudkan dan langsung tidak hadir dalam kes semasa (lihat perenggan 42–43).]

Cases referred to

Aspect Synergy Sdn Bhd v Banyan Tree Holdings Ltd [2008] MLJU 1101, HC (refd)

Consitex SA v TCL Marketing Sdn Bhd [2008] 3 MLJ 574, HC (refd)

Low Chi Yong (t/a Reynox Fertichen Industries) v Low Chi Hong & Anor [2018] 1 MLJ 175, FC (refd)

McCurry Restaurant (KL) Sdn Bhd v McDonalds Corporation [2009] 3 MLJ 774, CA (refd)

Ng Hoo Kui & Anor v Wendy Tan Lee Peng (administratrix for the estate of Tan Ewe Kwang, deceased) & Ors [2020] 12 MLJ 67, FC (refd)

A *Pianotist Co's Application, Re* (1906) 23 RPC 774, Ch D (refd)
Reckitt & Colman Products Ltd v Borden Inc and Others [1990] LRC (Comm) 417, HL (refd)
Tohtonku Sdn Bhd v Superace (M) Sdn Bhd [1992] 2 MLJ 63, SC (refd)
Yong Sze Fun & Anor (t/a Perindustrian Makanan & Minuman Layang-Layang)
B *v Syarikat Zamani Hj Tamin Sdn Bhd & Anor* [2012] 1 MLJ 585, CA (refd)
Yong Teng Hing b/s Hong Kong Trading Co & Anor v Walton International Ltd [2012] 6 MLJ 609, HC (refd)

Legislation referred to

C Trade Marks Act 1976 (repealed by Trademarks Act 2019) s 38, 38(1)

Ghazi Ishak (Ong Kheng Leong and Mahathir Abdullah with him) (Mahathir) for the appellants.
Teo Bong Kwang (Eugene Ee Fu Xiang and Wong Chee Wai with him) (Chang
D *Haryaty) for the respondents.*

Zaleha Yusof FCJ:

INTRODUCTION

E

[1] This court, on 7 September 2020, allowed the application for leave to appeal the following questions of law to the appellants based on:

Question 1

F Whether the use of generic words which form part of a company, corporate, trade of domain name, which such words are also comprised as part of registered trademark of another party (but which are not registered as a word mark or disclaimed), is deemed to be an infringement of such registered trademark?

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Question 2

If so, what is the definition of 'allied field' for the purpose of determining whether such usage in relation to passing off action is to be considered an act of passing off?

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Question 3

What is the definition of 'engaging in a business of an allied field' which would amount to a misrepresentation in relation to a passing off action, where one party has generic words which form part of their company, corporate, trade or
I domain name, and such words are also comprised as part of a registered trademark or company name of another party?

[2] For convenience, parties will be referred to as they were at the High Court.

[3] The appellants were the defendants at the High Court and the respondents were the plaintiffs.

BACKGROUND FACTS

[4] The salient facts can be found in the grounds of judgment of both the High Court as well as the Court of Appeal and the respective submissions of the parties, which we shall reproduce below with modification.

[5] The plaintiffs are involved in the business of property development. The first to fourth defendants are connected and affiliated companies, involved in businesses relating to real estate activities, project development, retail sale of construction materials and even tourism. The fifth and sixth defendants are the only directors and shareholders of the corporate defendants.

[6] The plaintiffs are the registered owners of the *SkyWorld Registered Trade Marks* in Class 37 as follows:

SkyWorld
design the experience

SkyWorld
design the experience
世天集团

[7] The word 'SkyWorld' according to the plaintiffs forms part of the plaintiffs' company names and the plaintiffs had started using the 'SkyWorld' marks in 2014. In addition, the first plaintiff had on 13 July 2017 applied to MyIPO to register the following trademark in Class 37:

SkyWorld
" TRANSFORMING C TIES "

[8] That notwithstanding, the fifth defendant had on 23 April 2018 also applied to MyIPO to register the following mark in Class 9, 16, 28, 35, 36, 38, 41, 42, 43 and 44:

('the defendants' 'S' trademark')

[9] In this action, the plaintiffs claim against the defendants for:

(a) trademark infringement in respect of the corporate defendants' use of the following names:

(i) company names — Skyworld Holdings Sdn Bhd; Skyworld Global Sdn Bhd, Skyworld (Sabah) Sdn Bhd and SkyWorld City Bhd (collectively, 'infringing company names');

(ii) domain name — http://skyworldcity.net ('infringing domain name'); and

(iii) the name of the purported development project in Karambunai, Sabah known as 'Sky World City Sabah', which was not approved by the relevant authorities ('infringing project name')

(the infringing company name, the infringing domain name and the infringing project name shall collectively be referred as 'infringing names');

(b) passing off the defendants' business and/or activities as that of the plaintiffs' business and/or activities through the use of the infringing names; and

(c) the defendants' unlawful interference with the plaintiffs' trade through the use of the infringing names.

[10] After hearing the witnesses and submissions of the parties, the learned High Court judge found there was no merit in the plaintiffs' claim, hence decided in favour of the defendant. The learned High Court judge found that as far as the trademark infringement claim was concerned, the use of the infringing names was not likely to deceive or confuse the public. On the issue of passing off, it was the finding of the learned High Court judge that the plaintiffs had failed to establish that the goodwill of the SkyWorld names and marks are 'well known'. Also, since he found that there was no likelihood of confusion arising from the use of the infringing names, it follows that the plaintiffs had failed to establish the requisite element of misrepresentation under the tort of passing off.

[11] As such, the plaintiffs' claim for unlawful interference with trade was also dismissed.

[12] On appeal to the Court of Appeal, the Court of Appeal had, after scrutinising the appeal records and submissions of the parties, confined the issue before it to a question of whether the corporate defendants' name which resembles the plaintiffs' trademarks could be held liable for trademark infringement in respect of the use of the SkyWorld registered trademarks as part of their company name.

[13] The Court of Appeal found the High Court judge erred by among others:

(a) erroneously conducting a microscopic comparison of the minute differences between the competing marks, specifically whether the infringing names are used in the uppercase or lowercase — when deciding on the issue of confusion;

(b) failing to enquire whether the use of the infringing names came within the specification of services covered by the registration of the SkyWorld marks;

(c) disregarding and attaching no weight to the evidence of actual confusion among the public adduced by the plaintiffs;

(d) failing to appreciate that the defendants have used the infringing names to prey on unsuspecting investors to invest in a project that was not approved by the relevant authorities;

(e) failing to appreciate that the plaintiffs' claim for passing off is not only confined to the SkyWorld company names; and

(f) erroneously holding that a plaintiff's goodwill must be 'well known' to sustain an action in passing off.

[14] Hence, the Court of Appeal found the defendants liable for trademark infringement, reasoning that in an action for trademark infringement, it is not necessary to establish that the infringing mark is identical with the registered mark.

[15] The Court of Appeal observed that the corporate defendants' business activities, namely property development and/or construction of real property, falls within the scope of the specifications of services of the SkyWorld marks.

[16] Accordingly, the Court of Appeal unanimously set aside the whole of the High Court's decision and allowed the plaintiffs' claims.

OUR DECISION

Infringement of trademark and passing off

[17] In Malaysia, statutorily what tantamounts to infringement of a trademark is stipulated by s 38 of the Trade Marks Act 1976 (Act 175) as follows:

Section 38 Infringement of a Trade Mark

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(1) A registered trade mark is infringed by a person who, not being the registered proprietor of the trade mark or registered user of the trade mark using by way of permitted use, uses a mark which is identical with it or so nearly resembling it as is likely to deceive or cause confusion in the course of trade in relation to goods or services in respect of which the trade mark is registered in such a manner and to render the use of the mark likely to be taken either:

B

(a) as being use as a trade mark;

(b) in case in which the use is use upon the goods or in physical relation thereto or in an advertising circular, or other advertisement, issued to the public, as importing a reference to a person having the right wither as registered proprietor or as registered user to use the trade mark or to goods with which the person is connected in the course of trade; or

C

D

(c) in a case on which the use is use at or near the place where the services area available or performed or in an advertising circular of other advertisement issued to the public, as importing a reference to a person having a right wither as registered proprietor or a registered user to use the trade mark or to services with the provision of which the person is connected in the course of trade.

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(2) (Deleted by Act A1078).

[18] This provision of s 38 was explained by the High Court in the illustrious case of *Aspect Synergy Sdn Bhd v Banyan Tree Holdings Ltd* [2008] MLJU 1101, wherein the learned High Court judge by referring to the case of *Consitex SA v TCL Marketing Sdn Bhd* [2008] 3 MLJ 574 as follows:

F

Based on s 38 of the Act, to establish an action for trademark infringement, the plaintiff would need to establish the following ingredients:

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(a) the defendant used a mark identical with or nearly resembling the registered trademark as is likely to deceive or cause confusion;

(b) the defendant is not authorized or licensed to use the registered trademark;

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(c) the defendant is using the offending trademark in the course of trade;

(d) the defendant is using the offending trademark in relation to goods in respect of which the trademark is registered;

(e) the defendant uses the mark in such a manner as to render the use of the mark likely to be taken as being used as a trademark.

I

[19] In *Low Chi Yong (t/a Reynox Fertichen Industries) v Low Chi Hong & Anor* [2018] 1 MLJ 175, this court stated that to successfully establish an action for the infringement of a trademark, the appellant in that case needs to establish that the respondents have infringed s 38 which sets out the meaning

of an infringement of trademark and the circumstances when the infringement has taken place.

[20] At para 37 of the judgment Suriyadi FCJ said the following:

> [37] Under s 38 of the TMA 1976 the appellant needs to establish the following ingredients, inter alia:
>
> (a) the respondent used a mark identical with or so nearly resembling the trademark as is likely to deceive or cause confusion;
>
> (b) the respondent is not the registered proprietor or the registered user of the trademark;
>
> (c) the respondent was using the offending trademark in the course of trade;
>
> (d) the respondent was using the offending trademark in relation to goods or services within the scope of the registration; and
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> (e) the respondent used the offending mark in such a manner as to render the use likely to be taken either as being use as a trademark or as importing a reference to the registered proprietor or the registered user or to their goods or services.

[21] While the law of trademarks in Malaysia is governed by Act 175, the law of passing off is very much rooted in the common law. In *Reckitt & Colman Products Ltd v Borden Inc and Others* [1990] LRC (Comm) 417, the House of Lords through Lord Oliver of Aylmerton has stated at p 880 the following elements to prove passing off:

> ... the law of passing off can be summarised in one short general proposition, no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Second, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff's identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff. For example, if the public is accustomed to rely on a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name. Third, he must demonstrate that he suffers or, in a *quia timet* action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of

A the defendant's goods or services is the same as the source of those offered by the plaintiff.

[22] In short, in order to prove passing off, the plaintiffs must establish:

B (a) goodwill or reputation attached to his goods or services (goodwill or reputation);

(b) the plaintiffs must prove that a misrepresentation is done by the defendants (misrepresentation); and

C (c) the plaintiffs must also prove that he has suffered a loss due to the defendants' misrepresentation (damage).

[23] See also *Yong Sze Fun & Anor (t/a Perindustrian Makanan & Minuman Layang-Layang) v Syarikat Zamani Hj Tamin Sdn Bhd & Anor* [2012] 1 MLJ D 585.

[24] Upon scrutinising the grounds of judgment of the learned High Court judge, we found that on this issue of infringement, the learned High Court judge has explained extensively in paras 28–38 of his grounds of judgment as to E why in His Lordship's opinion there was no violation of s 38 of Act 175. After citing the cases of *Consitex SA* and *Yong Teng Hing b/s Hong Kong Trading Co & Anor v Walton International Ltd* [2012] 6 MLJ 609, the learned High Court judge opined:

F [31] From the MyIPO certificates of registration, it cannot be disputed that the plaintiffs' registered trademarks are composite marks. One of them is a stylish verbal mark visually comprising of the word SkyWorld (specifically with the letters 's' and 'w' spelt in uppercase letter) with a stroke underneath the word 'sky' together with the phrase 'design the experience'. The other one of them has the same characteristics but with additional four chinese characters underneath the phrase G 'design the experience'.

[32] I hence find and hold that they are not registered as word marks contrary to that as claimed by SP2.

[33] It is common ground that there is no dispute in respect of the plaintiffs' H registered trademarks and the defendants' 'S' trademark. There is no resemblance between them whatsoever. The principal similarity is in the defendants' corporate name and domain name and the plaintiffs' registered trademarks arising from the word 'skyworld' audibly. In other words, the plaintiffs are contending that the offending or infringing marks are the defendants' corporate name and domain I name. On close and careful scrutiny, I nonetheless see that they are visually different because the defendants' corporate name in their business documents as well as their web site domain name used the word 'sky world' either wholly in uppercase or lowercase but not in mixed uppercase and lowercase as in the plaintiffs' registered trademarks. I observed that the plaintiffs' registered trademarks are not registered as word marks which might have otherwise conferred monopoly on them on the

'skyworld'. In fact, I am of the further view from the evidence adduced by the plaintiffs in their projects advertisement that the dominant mark in the trade names used by them is the (sic) only the word 'Sky' with a wavy underline beneath it as seen in all their project names SkyArena, SkyAwani, etc.

[34] The ascertainment as to whether there has been the likelihood of deception or confusion is fact sensitive depending on the (sic) all the circumstances of each case. There were numerous case authorities put forth before me by the parties in advancement of their respective positions. Ultimately on my reading of them, I discern that it centres on the degree of similarness as well as the associated business usage of the marks especially the consumer knowledge and association with them...

[25] He further stated at paras 37 and 38:

[37] Apart for the degree of resemblance of the marks, it is also necessary, if not also crucial, as seen from the aforementioned cases to consider the business activity of the parties in determining whether the average discerning consumer could be misled by associating one with the other. The plaintiffs here particularly the first plaintiff is basically involved in the business of real estate property development. From the documentary evidence produced by the plaintiffs, I find that they develop residential properties primarily in the Klang Valley, West Malaysia for sale to the public pursuant to the Housing Development Act 1966. The plaintiffs' registered trademarks are also hence registered in Class 37 accordingly. The defendants on the other hand are involved in the business of tourism and is presently embarking on its maiden SkyWorld City project in Karambunai, Sabah, East Malaysia. Again, from the documentary evidence of (sic) produced by the defendants, I find that the Sky World City project is a tourism theme park project. It has been described by the defendants as 'a universal theme park that features replicas of landmarks and iconic buildings form countries around the globe. Visitors will be able to relive their travel experiences through each individual pavilions'. Notwithstanding that there are residential accommodation buildings planned to be built in the Sky World City project, I find that they are probably hotels to accommodate the tourists but not buildings for sale to the public. Hence, the fifth defendant applied to MyIPO for the registration of the defendants' 'S' trademark in various classes but not in Class 37. It can therefore be concluded that the prospective customers of the plaintiffs and defendants amongst the public at large are not likely to be deceived or confused by reason of the stark difference on the business of the respective parties. Simply put, the imperfect recollection to these customers is neither relevant nor cogent here as for (sic) as the trade name is concerned. Likewise, it was found that there was no confusion in the case of *Aspect Synergy Sdn Bhd v Banyan Tree Holdings Ltd* because the characteristics of purchases of residential units there were different. The cases of *Sinma Medical Products (M) Sdn Bhd v Yomeishu Seizo Co Ltd* and *Trinity Group Sdn Bhd v Trinity Corporation Berhad* [2012] MLJU 1800; [2012] 1 LNS 929 amongst several others relied by the plaintiffs are hence distinguished on the facts particularly because the parties were competing in the same business and marketplace.

[38] In the circumstances, I am satisfied and accordingly find that the defendants' corporate name and domain name as used in connection with the Sky World City project are unlikely to deceive and cause confusion in the course of trade in which the plaintiffs' registered trademarks are registered ...

[26] The learned High Court judge also found that the plaintiffs have not proved the tort of passing off against the defendants. This finding was explained by His Lordship in paras 42 and 43 of his grounds of judgment thus:

> [42] It is therefore firstly necessary to determine whether the plaintiffs here have established sufficient reputation or goodwill that is known to the public. This is a matter of fact that has been to be substantiated by cogent evidence.
>
> [43] From both the oral and documentary evidence adduced by the parties, I find that the first plaintiff has used the trade name and plaintiffs' registered trademarks in their development projects in the Klang Valley. I am further satisfied that the first plaintiff expended time, efforts and money amounting to several million ringgit to promote its development projects through using the trade name through dedicated websites, social media platforms, newspapers, promotional leaflets and pamphlets, etc. The trade names was also displayed on signage and billboard at the plaintiffs' property galleries. These promotional efforts seem sufficient to confer the requisite reputation and goodwill based on the cases of *Compagnie Generale Des Eaux v Compagnie Generale Des Eaux Sdn Bhd and Portcullis Trustnet (Singapore) Pte Ltd v George Pathmanathan a/l Micheal Gandhi Nathan & Ors* [2017] MLJU 223. In addition, I observed that this has also not been seriously challenged by the defendants save that it would only reside with the plaintiffs' registered trademarks but not the trade name.

[27] After quoting the case of *McCurry Restaurant (KL) Sdn Bhd v McDonalds Corporation* [2009] 3 MLJ 774 on misrepresentation, His Lordship further stated:

> [45] The relevant facts relating to misrepresentation here are in my opinion generally not different from that of the likelihood of causing deception or confusion in respect of trademark infringement. I hence reiterate my findings in paras 35 to 38 above particularly that the parties here in fact carried on different types of business. In *Mun Loong Co Sdn Bhd v Chai Tuck Kin*, Mohamed Azmi J (later SCJ) held as follows:
>
> > But where the defendant carries on different type of business from that of the plaintiff, I am of the view that it must be shown by the plaintiff that the defendant has done something to deceive. Unless he is guilty of some kind of fraud or deception, by representing his business as that of the plaintiff, or mislead the public into believing that it is that of the plaintiff, then depending on the particular facts of each case, a passing-off action will invariably fail.
>
> [46] Moreover, I observed that the plaintiff's reputation must be well established too as set out in *Tong Guan Food Products Pte Ltd v Hoe Huat Hng Foodstuff Pte Ltd*. Yong Pung How CJ held as follows in the *Tong Guan* case:
>
> > The appellant must also show that the get-up is well known in connection with the business, ie the reputation of the get-up must be established. The appellant must prove that the mark, name or other indicia on which it relies is well known in connection with a business in which it has goodwill, or with goods, connected with the business, and is distinctive of those goods of that business.

The plaintiffs particularly the first plaintiff as property developers have only launched their maiden project in 2014. The rest of their projects were subsequently launched later. They therefore only have a short corporate history. As the result, I am not satisfied that the plaintiffs have acquired such well known reputation or goodwill which is connected with their property development business; hence making the trade name likely to be used by the defendants to misrepresent as the plaintiffs' name to derive a commercial benefit by riding on the trade name as happened in the care of *Eastman Photographic Materials Co Ltd v John Griffiths Cycle Corpn Ltd and Kodak Cycle Co Ltd, Re Trade Mark No 207006* (1898) 15 RPC 105. The plaintiffs' trade name is by comparison presently not anywhere close to those of established Malaysian property development trade names such as Mah Sing, SP Setia, Sunway, etc.

[47] Premised on the above, I find that the plaintiffs have not established that there has been misrepresentation by the defendants.

[48] Thirdly and in the absence of proof of misrepresentation, there is no (sic) therefore no damages suffered by the plaintiffs since there is no misappropriation of goodwill or reputation by the defendants following *Lego System Aktieselskab v Lego M Lemelstrich Ltd* [1983] FSR 155.

[28] The Court of Appeal however, disagreed with the learned High Court judge on the issue of trademark infringement. This is particularly reflected in paras 64–66, 71, 73–74, 80–81 of the Court of Appeal's grounds of judgment which we reproduce as follows:

[64] However, we were of the view that the learned judge has erred in law as it is trite that the plaintiff in an infringement action is not required to establish that the infringing mark is identical. It would suffice of the plaintiffs to establish that the infringing mark so nearly resembles the registered trademark as is likely to deceive or cause confusion (*Tohtonku Sdn Bhd v Superace (M) Sdn Bhd* [1992] 2 MLJ 63, SC at 65). For the purpose of ascertaining whether there is a likelihood of confusion between two competing marks, other features (if any) outside the actual trademark used by the defendants should not be taken into account (*Saville Perfumery Ltd v June Perfect Ltd* (1941) 58 RPC 147, CA at 161). We agreed with the plaintiffs that the learned judge should not be drawn into conducting a microscopic comparison of the minute differences between the competing marks, namely, whether the corporate defendants'marks/words are used in uppercase or lowercase (*Hu Kim Ai (berniaga sebagai Geneve Timepiece) and Anor v Liew Yew Thoong (berniaga sebagai Crystal Hour)* [2005] MLJU 389 at p 4).

[65] By the given facts, we were of the view that the first plaintiffs had established paras (a), (b) and (c) of s 38 TMA. We were also of the view that the use of the infringing names by the corporate defendants is likely to cause confusion or deception as the infringing names are aurally and visually similar to the SkyWorld registered trademarks. The corporate defendants have used the infringing names as a trademark in the course of their trade as defined under ss 3(1) and 3(2) of the TMA.

A [66] It is not disputed that the infringing names incorporate the essential feature of the SkyWorld registered trademarks, namely 'SkyWorld'. It is also not disputed that the corporate defendants are neither the registered proprietors nor the registered users of the SkyWorld registered trademarks. We found the learned judge erred in not enquiring whether the use of the infringing names and marks comes within the
B specification of services covered by the SkyWorld registered trademarks, inter alia, 'real estate development'; 'property development'; 'building project management'; and 'building and construction of real property'. Instead, the learned judge was embarking on a wrong enquiry of whether the plaintiff and the defendant were engaged in the same business in determining the issue of trademark infringement.

C ...

[71] The plaintiffs had also adduced evidence of actual confusion vide two emails from the public enquiring whether the plaintiff and the corporate defendants are related (see pp 1092–1095 *Rekod Rayuan* (*Jld* 2C). The plaintiffs answered to the
D queries from Venugopal and John Smith that the plaintiffs' company is not related and not connected in any form or manner howsoever with the corporate defendants...

...

[73] ... The learned judge erred by disregarding the emails and attaching no weight
E to them despite the emails having been produced by the parties. The learned judge ought to critically examine the truth of their contents against the probabilities of the case and all of the evidence adduced before him.

[74] Based on the evidence shown, we agreed that the plaintiffs has established all the elements constituting trademark infringement under s 38 of the TMA. We had
F no hesitation to find the corporate defendants to be held liable for trademark infringement in respect of their use of the infringing name in the company names, domain name and project name.

[80] ... Besides what had been adduced by the plaintiffs seen above, there the plaintiffs had also adduced incontrovertible evidence in establishing that the
G legitimacy of the Sky World City Sabah project is suspect, inter alia, the police are investigating the developer's activities believed to be a fraud as the Sky World City Sabah project was reported as being a 'property investment syndicate' which had 'no approval to undertake and market the project.

[81] We agreed with the plaintiffs that the defendants are not genuine traders and
H are in fact tortfeasors attempting to ride on the plaintiffs' goodwill in the SkyWorld names and marks. The defendants have used the infringing names and mark to prey on unsuspecting investors to invest in a project that was not approved by the relevant authorities. In this regard, the learned judge had erred in failing to appreciate the above crucial evidence adduced when dismissing the plaintiffs'
I claims.

[29] On passing off, although the Court of Appeal found there was ample evidence to show that the plaintiffs do possess the requisite good work and reputation, and that misrepresentation was established, the Court of Appeal

found there was no evidence that the plaintiffs have suffered any loss or damage caused by the defendant. These findings can be found in particular in paras 87–89 and 96 of the Court of Appeal's ground of judgment as follows:

> [87] In passing off, the protection provided by the law is not only limited to the plaintiffs' registered marks but rather it extends to the goodwill in the plaintiffs' business and trade (*Mesuma Sports Sdn Bhd v Majlis Sukan Negara Malaysia (Pendaftar Cap Dagangan Malaysia, interested party)* [2015] 6 MLJ 465 (FC) at p 475 (para 23)).
>
> [88] The learned judge failed to appreciate that the plaintiff claim in passing off stems from the corporate defendants' adoption of the SkyWorld names and marks and not only confined to the SkyWorld registered trademarks per se. It is trite law that a claim in passing off can be grounded on the defendant's misrepresentation arising from the use of a confusingly similar corporate or trade name (*Revertex Ltd & Anor v Slim Rivertex Sdn Bhd & Ors* [1991] 1 MLJ 508 at p 511).
>
> [89] Based on the aforesaid, we found that learned judge erred in law and in fact when he held that the plaintiffs have not acquired such well-known reputation or goodwill which is connected with their property development business' despite concluding that the plaintiffs' 'promotional efforts seem sufficient to confer the requisite reputation and goodwill …' It is trite that there is no requirement that the plaintiffs' goodwill must be well-known. The plaintiff is only required to show that the business identifiers (in this case the SkyWorld names and marks) are distinctive of the plaintiffs (*White Hudson & Co v Asian Organization Ltd* [1965] 1 MLJ 186, PC at p 188). In this case the plaintiffs have acquired the requisite and sufficient goodwill in the SkyWorld names and marks through their extensive and substantial advertising and promotional activities and investments (*Mesuma Sports Sdn Bhd v Majlis Sukan Negara Malaysia (Pendaftar Cap Dagangan Malaysia, interested party)* [2015] 6 MLJ 465 (FC) at p 489 (para 75)). We found the learned judge failed to sufficiently appreciate the following evidence which goes to prove that the plaintiffs do possess the requisite goodwill and reputation at all material times:
>
> (a) the plaintiffs have expended huge sums of investment, totalling about RM22.295m (for three years) for their promotional and marketing activities since their inception;
>
> (b) the plaintiffs promote their business and property development projects in Malaysia through the use of their website, social media accounts, emails, SMSes, electronic direct mailers, newsletter, newspapers and magazines, radio, emails, SMSes, electronic direct mailers, newsletters, newspapers and magazines, radio, brochures and catalogues;
>
> (i) the estimated gross development value ('GDV') of the plaintiffs' property development projects through the use of and by association with the SkyWorld names and marks are substantial; and
>
> (ii) the plaintiffs have received numerous international and national awards and accolades in recognition of their outstanding service and high-quality developments during the span of four years.

A ...

[96] In the present case, the corporate defendants would be considered as engaging in a business that is of an 'allied field' (namely, property development for tourism purposes) as that of the plaintiffs' business and therefore their use of the infringing names and marks would inevitably amount to a misrepresentation, in other words, the defendants and plaintiffs are in competition with one another, therefore damages are readily inferred. However, we found there is no evidence that the plaintiffs have suffered any loss or damage caused by the defendants. The plaintiffs have not shown that defendants were associated with the plaintiffs in any way. The defendants formed their companies for their tourism project in Sabah and plaintiffs are already selling their residential and commercial lots to the pubic in the Klang Valley, in this context, the learned judge did not err in holding that that plaintiffs did not suffer any damage.

[30] Dato' Ghazi, learned counsel for the defendants submitted that the Court of Appeal erred when it said that the purported infringing names are visually similar to the Sky World registered trademarks contrary to the findings of fact of the learned High Court judge that they are only aurally similar. He said, there was no reason given by the Court of Appeal for saying so. The learned High Court judge had compared the respective marks and was not satisfied that the word 'SkyWorld' phonetically per se is the essential or striking feature of the plaintiffs' marks.

[31] Learned counsel for the defendants also submitted that the Court of Appeal had also erred when it said that the High Court judge had disregarded the said two emails from Venugopal and John Smith when in para 38 of his grounds of judgment the learned High Court judge had clearly explained why he found the emails dubious.

[32] Learned counsel for the defendants further submitted that if the court found there was no infringement by the defendants then the court should also find there is no passing off as there is no element of confusion, hence no misrepresentation. He contended that the defendants' activities were only on theme park in Sabah when the plaintiffs were housing developers in the Klang Valley.

[33] Mr Teo, learned counsel for the plaintiffs submitted that the Court of Appeal was correct in reversing the decision of the High Court. He said the Court of Appeal had in its grounds of judgment, gone through the requirement to establish infringement and painstakingly went through the principles and even alluded to cases in the common law jurisdiction. In his written submissions, the plaintiffs cited cases decided by the courts in Malaysia, Singapore, Australia, United Kingdom and India to support their argument that it is trite that the use of any essential features of a reported mark as part of

a company and/or domain name could and would amount to trademark infringement. Those are similar cases cited by the Court of Appeal in para 76 of its ground of judgment. We feel it is beneficial to reproduce those cases as cited by learned counsel for the plaintiffs thus:

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B

[60] In Malaysia, in *Mutiara Rini Sdn Bhd v The Corum View Hotel Sdn Bhd (previously known as The Curve Hotel Sdn Bhd)* [2016] 7 MLJ 771, the High Court allowed the plaintiff's application for summary judgment against the defendant for trademark infringement and passing off in respect of the defendant's use of the plaintiff's registered mark, 'The Curve Hotel Sdn Bhd':

C

> [17] Thus, the facts clearly show that the defendant has used the said trademark 'The Curve' without the consent of the plaintiff. *The defendant has used the mark as part of the business name of the defendant and the same was used in the course of the hotel business of the defendant. Therefore, all the elements of infringement have been satisfied.*

D

See also *Syarikat Wing Heong Meat Product Sdn Bhd v Wing Heong Food Industries Sdn Bhd & Ors* [2010] 7 MLJ 504 at para 86.

[61] In another case of *Telekom Malaysia Berhad & Anor v CA Multimedia Sdn Bhd & Ors* [2019] MLJU 1664, it was held that the defendant's domain name *www.tmpoint.com* had infringed the plaintiff's trademark 'TMPOINT'.

E

[62] In Singapore, in *Clinique Laboratories, LLC v Clinique Suisse Pte Ltd and another* [2010] 4 SLR 510, the defendants were found liable to trademark infringement in respect of their use of the registered mark 'ÇLINIQUE' in inter alia (a) the first defendant's company name 'Çlinique Suisse Pte. Ltd.'; (b) the trading name 'ÇLINIQUE SUISSE'; and (c) the domain name *www.cliniquesuisse.com*.

F

(63) In Australia, in *Insight Radiology Pty Ltd v Insight Clinical Imaging Pty Ltd* (2016) 122 IPR 232, it was held that Insight radiology Pty Ltd's use of the composite mark ' ' as part of inter alia its corporate name amounted to trademark infringement.

G

See also *Flexopack SA Plastics Industry v Flexopack Australia Pty Ltd* (2016) 118 IPR 239 at 623 (paras 142, 145 and 624 (para 148).

[64] In the United Kingdom, in *Eastman Photographic Materials Co Ltd v John Griffiths Cycle Corpn Ltd and Kodak Cycle Co Ltd, Re Trade Mark No 207006* (1898) 15 RPC 105, the English court granted an injunction to restrain the defendant from using the plaintiff's 'KODAK' mark as part of its company name.

H

[65] In India, in *Ellora Industries vs Banarsi Das Goela and Ors AIR* 1980 Delhi 254, it was held that the defendant's use of the trade name 'Ellora Industries' had infringed the plaintiffs' registered trademark 'ELORA':

I

> *43. … The plaintiffs' trademark 'Elora' 'is the core or the essential part of the defendants' trading style 'Ellora Industries'.*
>
> *…*
>
> Thus 'E[ll]ora Industries' is an 'Infringing designation', a misleading name and its use must be restrained by injunction *so that the competitor is prohibited from*

A *gaining an unfair advantage by confusing potential customers.*

Also refer:

a. *Poddar Tyres Ltd v Bedrock Sales Corporation Ltd* AIR 1993 Bom 237 at 45 and 46.

B

b. P Narayanan, Law of Trade Marks and Passing Off, 6th Edition, pp 559–560.

...

C **[34]** On passing off which relates to question 2, learned counsel for the plaintiffs submitted that the defendants' use of a name that is identical to the plaintiffs' name would amount to passing off. He contended that there is no need to answer question 2 as it will not advance the jurisprudence on the tort of passing off as it is a well-established principle of passing off that parties need
D not be engaged in the same business activity.

[35] We gave due and careful consideration to the submission of the parties, both oral as well as written. The law on trademarks is quite settled. As submitted by learned counsel for the respective parties, there are a plethora of
E cases on what to look for in order to show infringement of a trademark under s 38 of Act 175. Parties in this case were not in dispute in as to the ingredients that need to be proven; especially that the plaintiffs must own the trademark and that the defendants have used a mark that is so identical or so nearly resembling the plaintiffs' trademark, which act is likely to deceive or cause
F confusion to the customer.

[36] In this appeal before us, the purported infringement was not caused by the defendants use of the offending mark in their products or business; but instead in their corresponding names. So, in this appeal before us, the plaintiffs
G alleged that the defendants' corporate names and web domain name are infringing, as they resemble the plaintiffs' registered trademark to the extent that it is likely to deceive or cause confusion to the customer.

H **[37]** The learned High Court judge was of the view that the marks have to be compared as a whole, both audibly and visually. His Lordship based his view on *Tohtonku Sdn Bhd v Superace (M) Sdn Bhd* [1992] 2 MLJ 63, wherein the Supreme Court had adopted the following test laid down by Parker J in *Re Pianotist Co's Application* (1906) 23 RPC 774:

I The 'tests' which Wan Adnan J was referring to were contained in Parker J's judgment in *The Pianotist Co Ltd* in the following terms:

You must take the two words. You must judge them, both by their look and their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods.

> In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those marks are used in a normal way as a trademark of the goods of the respective owners of the marks.
>
> In the instant case, the learned trial judge has found that 'there are two features of the two marks which are similar, namely, red in colour and split in wording'. However, having regard to the totality of the circumstances of the case, the learned judge was apparently satisfied that:
>
> There is no similarity between the two words 'MISTER' and 'SISTER' as to be likely to cause deception or confusion. The words are different. There is similarity in the second syllable but as a whole the similarity is not close enough as to be likely to cause deception or confusion. Further, the get-up of the intervener's product is green background colour with the picture of a lady whereas the get-up of the applicant's product is white-blue-grey background colour with the picture of a lady and a man.

[38] That was what we found the learned High Court judge did. He examined the plaintiffs' marks and found on them 'stylish verbal marks visually comprising of the word SkyWorld (specifically with letters 's' and 'w' spelt in uppercase letters) with a stroke underneath the word 'sky' together with the phrase 'design and experience'. The other mark has the same characteristic, but with an additional four chinese characters underneath the phrase 'design the experience'. Even though he found the defendants' corporate name and domain name with the plaintiffs' registered trademarks arising from the word 'skyworld' audibly similar, principally he found that visually they are different; because 'the defendants' corporate names in their business documents as well as their website domain name used the word 'skyworld either wholly in uppercase or lowercase but not in mixed uppercase and lowercase as in the plaintiffs'. See again paras 31–32 of the learned High Court judge's ground of judgment.

[39] Whether there is similarity in the marks audibly and visually, is a finding of fact. It is trite that an appellate court rarely intervenes or reverses a trial judge's findings of fact unless it can be shown that the trial judge is plainly wrong or his findings are unjust because of a serious procedural or other irregularity in the proceedings in the lower court. See the decision of this court in *Ng Hoo Kui & Anor v Wendy Tan Lee Peng (administratrix for the estate of Tan Ewe Kwang, deceased) & Ors* [2020] 12 MLJ 67.

[40] The plaintiff placed great emphasis on the fact that the Court of Appeal had found there were similarities or resemblance not only aurally, but also visually on the corresponding marks. But where was the reason of the Court of Appeal to come to such conclusion that visually they resembled each other? The burden of proof was on the plaintiffs, but this was in our view, not discharged. Instead in this appeal we found the learned High Court judge had vividly explained the reasons why he reached the finding that there was no

A similarity or resemblance between the defendants' corporate name and domain name and the plaintiffs' registered trademarks. We found the Court of Appeal erred when it reversed the findings and the decision of the learned High Court judge and substituted those findings with their own. This was not a harmless error as the findings of the Court of Appeal were not supported by any reasons B or adequate reasons.

[41] Upon examining the appeal records and the submissions of the parties, we were satisfied that for infringement under s 38(1), the learned High Court judge was correct to conclude that apart from an oral resemblance between the C registered trademark and the corporate and domain name, there was no real resemblance. Subsection 38(1) of Act 175 requires that a mark must be identical with or so nearly resembling the registered mark, in order to satisfy the element of infringement. See *Low Chi Yong* and *Consitex SA*.

D **[42]** As for the elements of confusion or deception, we are not convinced that the trial judge was plainly wrong in refusing to consider the two emails from an evidential point of view. The findings of the learned High Court judge on these two emails can be seen in his ground of judgment, para 38, thus:

E 38. ... I am nonetheless aware that the plaintiffs have adduced two emails from a Gopal and a John Smith in attempting to show that the public was actually confused. The email from Gopal reads as follows:

> I read your notice in the SUN Daily paper today stating it is false news on the ownership in the land in Sabah for tourism project. Can you clarify if you are F going to develop the land in Sabah for tourism project, building all world attractions in miniature scale and you are providing e-shares for the investors? Thank you and the email from John Smith reads as follows:
>
> What's your relationship with Skyworld Holding Sdn Bhd?

G Both Gopal and John Smith were not called as witnesses at the trial and I may accordingly draw any reasonable inference from the circumstances relating to the document including the manner and purposes of its creation as well as accuracy pursuant to s 90B of the Evidence Act 1950. In this regard and as submitted by the defendants, I find the emails dubious. This is because the emails are perfunctory and without disclosure of their relationship with the plaintiffs. They appear to me to be H merely two busy-bodies. Accordingly, I discarded both emails, in any event, if the plaintiffs had intended to show there was actual confusion, it would have in my view been more cogent for the plaintiffs to appoint an independent consultant to undertake a market survey and analysis of the state of affairs relating to confusion based on an adequately acceptable sample size.

I **[43]** Even if those emails are taken into evidence it appears to us that they do not comprise adequate evidence of confusion, far less deception because they are merely queries by unidentified persons. The need for the presence of the maker in this case is because it is difficult for the court to verify the authenticity

of the writer or his complaint or query. As they were mere queries can it be said that this amounts to confusion? In the instant case it must be borne in mind that the test requires the average discerning consumer to be confused not a 'moron in a hurry'. This is particularly so where these entities deal with the purchase of land which cannot be equated with purchasing cosmetics or items from a grocery store. Therefore, the element of confusion is not easily established and is not present in the instant case. The trial judge was not plainly wrong in his conclusion.

[44] In our view, whether there was confusion or deception is entirely a matter for the judgment of the court and not that of the witnesses, after considering the evidence of surrounding circumstances. It is always a question of fact to be determined by the court. See *Yong Sze Fun & Anor (t/a Perindustrian Makanan & Minuman Layang-Layang)*.

[45] Even though we agreed that the law is quite settled that there can still be infringement even if the business carried out by a defendant is not a related business, based on the above, we were not satisfied that the Court of Appeal was correct in reversing the finding and arriving at a conclusion of infringement. We were of the view that the decision of the learned High Court judge was correct that there was no trademark infringement as the trademarks were not identical or so nearly resembling each other, as they differed visually to a great extent. We were of the view there was no likelihood of confusion or deception in the course of trade in relation to the marks.

[46] Earlier on, we explained the elements of passing off. Passing off arises when there is misrepresentation and harm to a plaintiff's existing product. Misrepresentation will definitely create confusion or deception. In this appeal, it follows that as neither the elements of confusion or deception were established, we therefore held that passing off was also not made out.

CONCLUSION

[47] For the reasons stated above, we therefore answered question 1 in the negative. As question 1 was answered in the negative, there was no necessity to answer questions 2 and 3 as those questions were only relevant if the answer to question 1 was in the affirmative. We therefore declined to answer questions 2 and 3.

[48] Consequently, we unanimously allowed the appeal with costs and reinstated the decision of the High Court. We awarded costs of RM100,000 to the appellants subject to allocator here and below.

A *Appeal allowed with costs and High Court's decision reinstated.*

Reported by Ashok Kumar

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